VZCZCXRO2876
RR RUEHCHI RUEHCN RUEHHM
DE RUEHJS #0029/01 0630936
ZNR UUUUU ZZH
R 030936Z MAR 08
FM AMCONSUL SURABAYA
TO RUEHC/SECSTATE WASHDC 0170
INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS
RUEHBY/AMEMBASSY CANBERRA 0086
RUEHCAA/GEOLOGICAL SURVEY DEPT OF INTERIOR WASHINGTON DC
RUEHJA/AMEMBASSY JAKARTA 0157
RUEHJS/AMCONSUL SURABAYA 0175
RUEHKO/AMEMBASSY TOKYO 0031
RUEHWL/AMEMBASSY WELLINGTON 0084

UNCLAS SECTION 01 OF 02 SURABAYA 000029

SIPDIS

SENSITIVE SIPDIS

DEPT FOR EAP/MTS, EAP/MLS, INR/EAP, EB/ESC/IES DOE FOR CUTLER/PI-32; AND NAKANO/PI-42 COMMERCE FOR USDOC 4430

E.O. 12958: N/A

TAGS: ECON EPET ENRG PGOV ASEC ID

SUBJECT: EAST JAVA MUDFLOW UPDATE: FLAMES AND GEYSERS FORM BACKDROP TO RENEWED MUDFLOW DEBATE

REF: SURABAYA 27 AND PREVIOUS

SURABAYA 00000029 001.2 OF 002

This message is sensitive but unclassified. Please protect accordingly.

11. (SBU) Summary: Geysers and gas flares near the mudflow epicenter continue to appear since they first started in early February. Sidoarjo Mud Management Agency (BPLS) Spokesman Achmad Zulkarnain said that the recent flare-up of burning hydrogen sulfide gas on the site of the abandoned Jatirejo fruit market occurred only ten meters from the highway and railroad linking Surabaya to the eastern part of East Java province. Since the beginning of February, geysers, often mixed with flammable gases, have appeared in areas previously untouched by the mudflow. National attention has recently refocused on the disaster due to debate in the People's Consultative Assembly (DPR) over the conclusions of a DPR fact-finding team (TP2LS). The team's determination that the disaster was not caused by the Lapindo Brantas Corporation caused stark division in the DPR. While back in East Java, local protests by residents excluded from various compensation schemes continue to stall dike repair and snarl local traffic around the site. End Summary.

Flaming Geysers

¶2. (SBU) Geysers continue to erupt in villages surrounding the mudflow containment. As of March 3, several new geysers have emerged as the result of continuing subsidence near the mudflow epicenter. Gas measurements conducted by BPLS showed that hydrogen sulfide levels ranged from 8-35 parts per million in the area near the flare-up at the abandoned Jatirejo fruit market. BPLS spokesman Zulkarnain told local media that the gas would not have ignited on its own, suggesting that local residents were setting the leaks alight. BPLS Deputy for Operations Mr. Soffian Hadi told ConGen Surabaya Pol/Econ officer that emergency negotiations with Surabaya's Juanda Airport management to provide needed fire fighting equipment broke down over the per liter price of flame retardant foam. BPLS could not guarantee payment and improvised with wet sandbags until Sidoarjo City Fire Department trucks extinguished the flames on the 26th.

13. (SBU) Controversy over the conclusions of a DPR-mandated report by the TP2LS team seems to have given renewed traction to talk of using a relief-well technique for stopping the mudflow. In turn, this has reenergized debate between mud victims, their advocates and Lapindo Brantas, which insists that the flow is a natural phenomenon and cannot be stopped. Representative of this renewed sense that the mudflow can be "killed" is the "Movement to Shut Off the Lapindo Mudflow" (Gerakan Tutup Lumpur Lapindo). Local media reported that its members emerged from a February 28 meeting with the Sidoarjo Regent optimistic the mudflow can be stopped -- although they estimated that at least USD 50-70 million in government funds and donations will be needed to do the job.

 $\P4.$ (SBU) While talk of stopping the mudflow has gained new life, little has happened to change the parameters of (SBU) While talk of stopping the mudflow has the discussion of fair compensation for mudflow victims. A decision by the Indonesian government to pay compensation to newly displaced persons from official coffers was criticized by the former chair of the People's Consultative Assembly (DPR), Amien Rais. According to local media, Rais wondered why public funds are being used to compensate victims of a disaster caused by Lapindo Brantas. Ahmad Zakaria, coordinator of the "Mud Victims Movement From Four Villages" (Gerakan Korban Lumpur Empat Desa) also criticized the government's decision to use government funds as compensation. "We are victims of Lapindo, not a natural disaster, Lapindo should pay," said Zakaria. Coordinating Minister for People's Welfare, Aburizal Bakrie, (the Bakrie Group once owned Lapindo) shrugged off complaints saying that, whatever the source, victims are being compensated, and that is what matters. Bakrie reminded the press that Lapindo had been very generous by compensating residents from impacted areas, despite the fact that the State Courts of South and Central Jakarta decided that the mud disaster was not caused by Lapindo Brantas.

Lapindo PR Offensive

SURABAYA 00000029 002.2 OF 002
